

RECORDATION NO.

25269-A  
FILED

NOV 01 '04

12:11 PM

SURFACE TRANSPORTATION BOARD

ALVORD AND ALVORD  
ATTORNEYS AT LAW  
1050 SEVENTEENTH STREET, N.W.  
SUITE 301  
WASHINGTON, D.C.

20036

(202) 393-2266

FAX (202) 393-2156

E-MAIL alvordlaw@aol.com

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

OF COUNSEL  
URBAN A. LESTER

October 29, 2004

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Commercial Security Agreement, dated as of October 14, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Schedule #1 to Full Service Master Lease Agreement which is being filed with the Board under Recordation Number \_\_\_\_\_.

The names and addresses of the parties to the enclosed document are:

Lender: The Business Bank  
11100 Wayzata Boulevard  
Suite 150  
Minnetonka, Minnesota 55305-5530

Grantor: Midwest Railcar Corporation  
3 Professional Park Drive, Suite B  
Maryville, Illinois 62062

Mr. Vernon A. Williams  
October 29, 2004  
Page 2

A description of the railroad equipment covered by the enclosed document is:

5 gondola cars: MWCX 100453 - MWCX 100457 .

A short summary of the document to appear in the index is:

Memorandum of Commercial Security Agreement.

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anm  
Enclosures

RECORDATION NO.

25269-A  
FILED

NOV 01 '04 12:11 PM

SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT**

**BETWEEN**

**THE BUSINESS BANK  
("SECURED PARTY")**

**AND**

**MIDWEST RAILCAR CORPORATION  
("DEBTOR")**

**October 14, 2004**

Memorandum of Commercial Security Agreement made and entered into as of October 14, 2004, by and between The Business Bank, a Minnesota corporation ("Lender"), and Midwest Railcar Corporation, an Illinois corporation ("Borrower").

**W I T N E S S E T H:**

To secure all obligations of the Borrower under a certain Commercial Security Agreement dated as of October 14, 2004 (the "Loan Agreement"), and that certain Promissory Note dated October 14, 2004, Borrower hereby assigns to Lender all of Borrower's rights, title and interest in, the railcars set forth and described on the Schedule of Railcars attached hereto (the railcars on the aforementioned Schedule of Railcars shall hereinafter be called the "Railcars"), as such Schedule of Railcars may be amended from time to time, and grants to Lender a first priority security interest in: (i) the Railcars; (ii) Borrower's interest in accessions, accessories, equipment, appurtenances and replacement and added parts appertaining or attached to any of the Railcars owned or hereinafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any of the Railcars, together with all the rents, issues, income, profits, proceeds and avails therefrom and the proceeds thereof; (iii) all proceeds and all present and future evidences of rights to payment, (including, without limitation, insurance and indemnity payments) due or to become due to Borrower on account of the lease, sale, loss or other disposition of the Railcars; (iv) that certain

Schedule #1 made effective September 20, 2004 which incorporates therein by reference the Full Service Master Lease Agreement dated September 20, 2004 by and between Borrower (as Lessor) and Company Gershow Recycling Company a New York Corporation . (as Lessee), and any additional Equipment Riders and schedules thereto (together, the "Lease") and all bills of sales or other similar documents, agreements and instruments relating to the Railcars, and all other leases, chattel paper, agreements, accounts, bank or deposit accounts and instruments relating to the Railcars, whether now existing or hereafter arising (collectively, the "Documentary Security" or "Security Documentation"), together with all of Borrower's estate, right, title, interest, claims and demands in, to and under such documents, agreements and instruments including all extensions of any of the terms thereof, together with all rights, powers, privileges, options, and other benefits of Borrower including without limitation the right to receive notices, give consents, exercise any election or option, declare defaults and demand payments thereunder, and (v) all rent, damages and other moneys from time to time payable to or receivable by Borrower under the Documentary Security (the Railcars, Documentary Security, proceeds, rights, claims and causes of action described in items (i) through (v) above being herein sometimes collectively called the "Collateral"), to have and to hold all and every part of the Collateral unto Lender, and its successors and assigns, for its and their own use and benefit forever.

This Memorandum of Commercial Security Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but together only one Memorandum of Commercial Security Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

THE BUSINESS BANK, as Lender

By: 

Title: Vice President

Date: 10/14/04

MIDWEST RAILCAR CORPORATION as Borrower

By: 

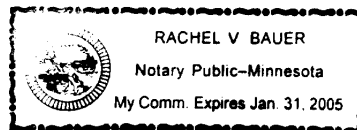
Title: President & CEO

Date: 10-13-04

STATE OF MINNESOTA )  
 )  
COUNTY OF HENNEPIN ) ss.

On this 14 day of October, 2004, before me personally appeared Brian R. Munderloh, to me personally known, who being by me duly sworn, says that he is the Vice President of The Business Bank, that the foregoing instrument was signed on behalf of said national banking association, and he acknowledged that the execution of the said instrument was his free act and deed.

NOTARY PUBLIC Rachel V. Bauer



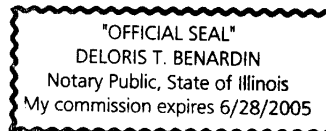
My commission expires: 1-31-2005

STATE OF Illinois )  
 )  
COUNTY OF Madison ) ss.

On this 13 day of October, 2004, before me personally appeared Richard M. Murphy, to me personally known, who being by me duly sworn, says that he is the President & CEO of Midwest Railcar Corporation, an Illinois corporation that the foregoing instrument was signed on behalf of Midwest Railcar Corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

NOTARY PUBLIC Deloris T. Benardin

My commission expires: 6-28-05



### **SCHEDULE OF RAILCARS**

Five (5) 4000 c.f. 100 ton Gondolas with 263,000 lb GRL. (Car Type Code J301) Car Numbers MWCX  
100453 – 100457, inclusive.